

*The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.*

### What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

### What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

**Note on Language**

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

**Instructions for Printing**

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Monitoring Visit Profile	
Country	Macao
Factory name	08004467B
IEM	Kenan Institute Asia
Date of audit	28-Jul-03
Days in the facility	1
PC(s)	Nordstrom
Number of workers	192
Product(s)	Textile
Production processes	
Other brands in factory	

		Findings						Remediation					Initiatives		
FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	Factory Response	PC follow up	Documentation
<b>1. Code Awareness</b>															
Worker/management awareness of Code		<b>FLA Principles of Monitoring, Obligations of Companies:</b> Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	Workers are not properly informed of the code in all sections of the factory	worker interviews			Factory to advise if factory needs a Partnership Guidelines poster. Upon receipt, post in a prominent location for all employees. Review Guidelines with all employees to ensure their understanding of their work environment standards.	8/22/03	PENDING	This code element will be further addressed in 2004 and 2005 as Nordstrom focuses more specifically on worker oriented training. At this point Nordstrom's program has addressed more high level program/process information with factory mangement, suppliers and agents. Nordstrom hopes in 2004 to work with local NGO's in China to conduct worker trainings on specific code elements and common issues. This training project is still under development, but will be implemented within the year.					
<b>2.Forced Labor</b>															
<b>3. Child Labor</b>															
<b>4. Harassment or Abuse</b>															
Disciplinary practices	No applicable law.	Employers will utilize consistent written disciplinary practices that are applied fairly among all workers	The factory fines workers for lateness at a rate per minute relative to their pay. As Macau law states no minimum wage and wages are an average of 80 macau dollar per day, this is in compliance. However, workers believe the rate is 1 macau dollar per minute.	Workers reported fines of one dollar per minute. However, payroll records indicate workers misunderstood the policy.			Nordstrom standards do not allow for any disciplinary deduction in wages. Factory to create new policy regarding tardiness, allowing for a 5-minute grace period. Consider records indicate workers verbal, written warnings to begin with. Consider an incentive program for on-time workers.	Target - 9/1/03	PENDING						
<b>5. Nondiscrimination</b>															
Hiring Discrimination Practices		Employment decisions will be made solely on the basis of education, training, demonstrated skills or abilities. All employment decisions will be subject to this provision. They include: hiring, job assignment, wages, bonuses, allowances, and other forms of compensation, promotion, discipline, assignment of work, termination of employment, provision of retirement	Management tends to hire more migrant workers as they accept lower pay	worker interviews and factory records			Factory must hire workers on the basis of individual skill. Hiring must be based on competency rather than nationality or ethnic heritage. Hiring should not be based on gender or age of worker. Job advertisements and recruitment must not be restricted due to age, gender, race, religion, disability, sexual orientation, national/political opinion, caste or social or ethnic origin. The factory must develop a system that effectively reinforces its written policy against discrimination. Factory to develop a policy, and train to all mangagement in charge of hiring.	4/5/04							
<b>6. Health and Safety</b>															
Fire Safety Health and Safety legal compliance		Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	In compliance	visual inspection	The 2nd floor is SA8000 certified and has excellent overall health and safety practices. Good emergency lights, clear evacuation plans, closed drinking cups with special storage area and a thermometer to monitor temperatures.										
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Many of the work stations are cluttered on the 2nd floor	visual inspection			1) Please ensure that all work stations and aisles are free of clutter for quick, easy evacuation.	Target: 9/15/2003	Complete	Reaudit	PHOTOS				
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	The stairwells are not properly lighted on the second floor.	visual inspection			2) Ensure that all hallways/stairwells are properly lighted at all times.	Target: 9/15/2003	Complete	Reaudit	PHOTOS				
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	The warehouse has no fire extinguishers.	visual inspection			3) Ensure that there is 1 extinguisher per every 25 employees throughout the factory	Target: 9/15/2003	Pending						
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	The 11th floor is not at the same standard as the 2nd floor. The 11th floor is not especially the warehouse.	visual inspection			4) Ensure that a comfortable temperature is provided for all workers throughout the factory; ensure that exhaust fans are operational during working hours.	Target: 9/15/2003	Pending						

	Remediation											Updates			
FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Findings Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	Target Completion Date	Factory Response	PC follow up	Documentation	Best Practice	Factory Response	PC follow up	Documentation
PPE	PPE shall be useful to protect workers; they shall be clean and well kept. Workers whose head is easy to get injury, they shall have head covering.	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	We recommend that in the weaving loom area, head covering or proper bundling of hair is enforced.	visual inspection			1) Provide head/hair covering material for workers Train & educate workers on benefits and protection of PPE. Provide factory with copy of Nordstrom Guide to Factory Compliance Workbook	Target: 8/22/03	Complete	Reaudit	Photos				
PPE	PPE shall be useful to protect workers; they shall be clean and well kept. Workers whose head is easy to get injury, they shall have head covering.	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	In the spot lifting area workers could not demonstrate knowledge of how to use the onsite PPE.	visual inspection			2) Provide waistbelts for workers conducting heavy lifting. Train & educate workers on benefits and protection of PPE. Provide factory with copy of Nordstrom Guide to Factory Compliance Workbook	Target: 8/22/04	PENDING						
Chemical Management	No applicable law.	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	The chemical storage area is not in conformance. Chemicals are stored on the ground and there is no retaining wall to prevent spillage or mixing of hazardous chemicals.	visual inspection			Ensure that chemicals are stored in a suitable location away from the production floor. Store chemicals in sealed containers to prevent spilling.	Target: 9/1/03	COMPLETE	Reaudit	Photos				
7. Freedom of Association and Collective Bargaining															
8. Wages and Benefits															
Wage Benefits Awareness		Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law	Many workers were not aware of how their wages are calculated.				Factory to ensure that all workers have had factory policies regarding wage and benefits communicated to them in simple terms for their understanding	8/22/03	PENDING						
Accurate benefit compensation	Workers with the same kind of work shall be paid the same.	All employees will be credited with all time worked for an employer for purposes of calculating length of service to determine the benefits to which workers are entitled	There are issues concerning the equity of pay between migrant workers and local workers. Local workers believe that migrant workers are driving down the standard wage. (local workers make 85MD daily and migrants make 75MD daily)	Worker interviews			*Please note: Auditor clarified that this is not an issue of noncompliance in this factory. It was noted in the report to better understand the issues in the region and possibly affecting the workers in this factory. Issue has been noted, but not considered a violation for this audit.								
9. Hours of Work															
10. Overtime Compensation															
Miscellaneous															
Illegal subcontracting	No applicable law.	subcontracting	Sub-contracting of a portion of their work is common practice (mainland China) and documented in the export papers. We are not clear if the buyers has this information or not, but it was openly reported during management interviews and is common in the Macau garment industry.				Ensure that all Nordstrom product is produced within the approved facility. If subcontracting will be utilized, Nordstrom needs to be notified immediately and no production may occur until the subcontracting facility has completed Nordstrom's approval process.	Target: Immediately 8/22/03	PENDING	Nordstrom's policy is that no partner will utilize subcontractors for the production of Nordstrom products or components with written approval and authorization from Nordstrom, and only after the subcontractor has agreed to comply with the Partnership Guidelines.					
Other			We chose not to let management know which workers made negative comments about the working conditions												